UNITED NATIONS DEVELOPMENT PROGRAMME

UNDP

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(COS/77/003)
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APPROVAL OF LARGE-SCALE ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF COSTA RICA

Project title and number:	Export Promotion(Phase III) (COS/77/003)
Executing Agency:	United Nations Conference on Trade and Development/International Trade Centre (UNCTAD/ITC)
Government co-operating agency:	Centre for the Promotion of Exports and Investments (CPEI)
Date of approval:	May 1978 (retroactive)
Starting date for project operations:	February 1978
Duration:	Three years
Estimated value of the Government input expressed in US dollars:	$110 800 (in kind)
Estimated UNDP contribution:	$193 800
Source of UNDP financing:	Indicative Planning Figure (IPF)

I. Background

1. It is estimated that over the last 34 years the accumulated deficit of the Costa Rican balance of payments has risen to some $1.4 billion. One of the factors which has contributed to this unfavourable situation has been the relatively poor record of exports in the face of a high level of imports. This poor export performance has apparently, been due, inter alia, to an absence of export-consciousness in Costa Rican industry to seek markets beyond the Central American Common Market, a lack of knowledge of the requirements for products which could potentially be exported, an absence of quality control, and a lack of knowledge of the potential for Costa Rican products in new markets.

2. To rectify this situation, the Government has carried out a number of actions over the past few years, for which UNDP assistance was provided under two earlier projects, namely, Export Promotion (COS/72/006, 1972-1973) and Export Promotion

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(Phase II) (COS/74/006 1/ , January 1975 to December 1977). These projects assisted in the preparation of an appropriate legislative, financial and institutional framework and in orienting industrial activities towards greater production for export.

3. The present project has, therefore, been approved to consolidate and expand the efforts already made towards increased production of goods for export.

II. The project

4. The long-term objectives of the project are to promote economic growth through an increase in non-traditional exports, for example ready-made clothing, ornamental plants and flowers, foodstuffs, wood products, plastics, leather goods, metal and other products.

5. The immediate objectives are to: (a) increase the growth of non-traditional exports by 36 per cent over the period 1978 - 1981; (b) develop and consolidate new markets for non-traditional exports for instance, in the Caribbean, Canada, the United States; and (c) strengthen the present structure for export promotion, particularly the Centre for the Promotion of Exports and Investments (CPEI), in the fields of commercial information, commercial representation abroad, technical assistance to exporters, training of personnel and representation at international fairs.

6. UNDP will provide the funds, through the Executing Agency for the services of an expert in export promotion, fellowships for in-service training, and equipment.

7. The expenditure components of the UNDP contribution are as follows:

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Experts	180 700
Training	4 000
Equipment	3 000
Miscellaneous	6 100
	193 800

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